

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 237 – HB 648

March 8, 2017

**SUMMARY OF ORIGINAL BILL:** Adds new standards, to the *Kerosene and Motor Fuels Quality Inspection Act of 1989*, establishing that for gasoline blended with ethanol, the most recent version of ASTM D4814, Standard Specification for Automotive Spark Ignition Engine Fuel, shall apply with certain specified exceptions.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (004693):** Deletes and replaces language in the original bill such that the only substantive change is to establish that the vapor pressure exceptions enumerated in subdivisions (d)(1)(B) and (d)(1)(C) of the bill shall remain in effect until the ASTM incorporates changes to the vapor pressure maximums for ethanol blends after the effective date of this bill.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 47-18-1302, the intent of the *Kerosene and Motor Fuels Quality Inspection Act of 1989* is to ensure that kerosene and motor fuels are adequately labeled, adequately posted, and meet or exceed certain minimum quality standards.
- This provisions of the legislation establish that for gasoline blended with ethanol, the most recent version of ASTM D4814, Standard Specification for Automotive Spark Ignition Engine Fuel, shall apply with the following exceptions:
  - The maximum vapor pressure shall not exceed the ASTM D4814 limit by more than 1.0 psi for blends containing nine percent (9%) to ten percent (10%) (by

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volume) ethanol from June 1 through September 15, in accordance with 40 CFR Part 80.27(d);

- The maximum vapor pressure shall not exceed the ASTM D4814 limit by more than 1.0 psi for blends containing one percent (1%) or more (by volume) ethanol for volatility Classes A, B, C, and D from September 16 through May 31; and
- The maximum vapor pressure shall not exceed the ASTM D4814 limit by more than 0.5 psi for blends containing one percent (1%) or more (by volume) ethanol for volatility Class E from September 16 through May 31.
- Based on information provided by the Department of Agriculture (TDA), this legislation will result in no significant impact on the regulatory duties of the TDA.

## **IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

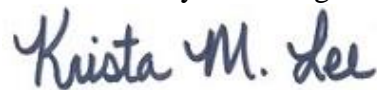
**Unchanged from the original fiscal note.**

Assumption for the bill as amended:

- Passage of this legislation is not anticipated to have any significant impact on commerce or jobs in Tennessee.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/jdb